

## **The complaint**

Mr B complains that Monzo Bank Ltd didn't properly pursue his claim in respect of a breach of contract with a merchant.

## **What happened**

On 5 October 2024 Mr B agreed to have replacement windows installed at a cost of £4,788 and paid a deposit of £800. A survey was completed on 14 October and it was identified that lintels would need to be installed. The merchant said the cost would be some £1,300 and set this out in the variation of contract document. This document stated it would: 'look into cost and get back to customer, no price agreed on site'.

On 23 October the merchant let Mr B know there would be no additional cost. On that day Mr B requested that the contract be terminated. He said his personal circumstances had changed. The merchant took several weeks to respond to Mr B, but it said the deposit would not be refunded. It then told him he was due to pay the full amount.

In late November Mr B contacted Monzo and it raised a chargeback some three weeks later. This was defended by the merchant and Monzo didn't consider it merited being taken further. Mr B's complaint was rejected by Monzo and so he brought the matter to this service. It was considered by one of our investigators who recommend it be upheld. He noted Monzo had not appeared to have considered a claim under Section 75 of the Consumer Credit Act 1975 ("s.75"). In his review of s.75 he thought the wording of the merchant's terms and conditions had not been clear and he felt there had been a breach of contract.

Monzo didn't agree and put forward its interpretation of the relevant terms in the agreement. Our investigator spoke to a representative of the merchant and she said the terms were not as clear as they could be and were being redrafted. No resolution could be reached and so the matter has been passed to me for a decision.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I also want to assure Mr B that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them. Nor are we a court deciding legal disputes, although it could be argued this matter is more suited to a court. However, a complaint has been brought to this service and I consider it right that I decide it on its merits.

Mr B has told this service that after he was told lintels needed to be installed he had concerns about the reported quality of such work being carried out by the merchant. Whatever his reasons I have to consider if there was a breach of contract. To be clear I do not consider the reasons behind his decision are directly relevant to whether there has been a breach of contract or not.

There were two routes by which Mr B could get his money back, a chargeback or s.75. Monzo raised a chargeback which the merchant defended and I agree that there was little chance of success if that claim had been pursued to the next stage, so I cannot say that it did anything wrong in that regard. The merchant would have continued to defend it and I suspect it would not have been upheld on appeal.

It doesn't appear that Monzo considered whether it ought to have honoured a claim under s.75. I'd have expected it to have thought about whether this was an alternative way it could have assisted Mr B, so I've considered whether it should have honoured a claim. S. 75 allows consumers who have purchased goods or services using a credit card to claim against their credit card issuer in respect of any breach of contract or misrepresentation by the supplier of the goods or services, so long as certain conditions have been met. These conditions are, broadly speaking, that the claim needs to relate to items costing more than £100 and no more than £30,000, and that the claim needs to be against the same entity which has accepted the credit card payment.

Mr B's transaction meets the relevant criteria and so I have to consider if it is reasonable to conclude there was a breach of contract.

The terms and conditions run to some six pages of detailed text and are not exactly a model of clarity. The relevant terms are set out in clause 4 which reads as follows:

*"The Company agrees to supply the products at the price specified in the Agreement subject to the Surveyors approval of the feasibility of the works, the site conditions and correctness of the price. As a result of the findings of the survey, the Company may need to carry out additional enquiries and further site investigations to determine the viability of the contract. In those circumstances, the Company shall send written notification to the Purchaser within 14 days of survey advising that the Contract is suspended for a period of time (the Suspension Period) which will be commensurate with the required investigations.*

*In the event of any modification to the works being required due to the Survey, within the Suspension Period the Company shall either cancel the Contract or send written notification to the Purchaser of any modification required to the works and the price. In the event of any modification to the price being required due to the Survey that does not require additional enquiries as set out above, within 14 days of the survey the Company shall either cancel the Contract or send the Purchaser a written notice explaining the reason for any modification required to the price. For example, the reason may be due to additional building work such as new lintels, legal requirements or the discovery of asbestos related materials within the vicinity which were not identified at the time of the original viewing of the property.*

*If the Purchaser does not accept any proposed modifications within 14 days of their notification, the contract shall be cancelled.*

*Thereafter the Company reserves the right to cancel the Contract only in the event of unsatisfactory credit reference(s) being obtained in respect of the Purchaser or in accordance with Clause 7."*

A survey was carried out and it was found that additional works were required. Subsequently the merchant said that these would be done at no extra cost. That means the works were

modified, but the price was not. The wording above refers to the modification of the works and also to the modification of the price. Here only one of these was modified, the works. However, it then says: *“If the Purchaser does not accept any proposed modifications within 14 days of their notification, the contract shall be cancelled.”* This does not say this applies only to price modifications or to both. It simply says if the purchaser does not accept the modifications within 14 days the contract is cancelled. Mr B did not accept the modifications and so it follows that the contract should have been cancelled.

I appreciate this is not what the merchant may have intended when it drafted these terms but I consider is how they can or should be read. Nor does it matter what reason Mr B gave for cancelling. Nor do I think as has been suggested that the modification is to the contract. The wording in the contract addresses modifications to both the works and to the price.

In short, Mr B agreed to specified works at a specified price. The merchant changed this and said additional works were needed, but at no extra cost. Mr B was not obliged to accept those extra works regardless of the merchant offering to carry them out at no extra cost and so I consider he was entitled to cancel. He was entitled to conclude that he didn't want the extra works carried out to his property regardless of the matter of cost and he was entitled to reach that conclusion. It would be strange if a consumer be required to agree to whatever works the merchant decided upon simply because the consumer was not obliged to pay for them.

Finally, Mr B said he felt he was entitled to additional compensation, but I do not believe Monzo has caused him significant distress and inconvenience. It acted on his request to raise a chargeback and it was entitled to express its view on the validity of a s. 75 claim.

### **Putting things right**

Monzo should refund the £800 Mr B paid and pay him £100 to recognise the distress and inconvenience caused to him.

### **My final decision**

My final decision is that I uphold this complaint and I direct Monzo Bank Ltd to compensate Mr B as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 November 2025.

Ivor Graham  
**Ombudsman**